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***Statement of U.S. Rep. Brad Miller on Inspector General Report on Freddie Mac - Bank of America Settlement***

The Inspector General's report is very damning. The officials at Freddie Mac who decided to settle these claims for billions less than taxpayers had coming should obviously lose their jobs immediately.

The senior examiner's concerns about the settlement were screamingly obvious. Of course mortgages with a teaser rate were more likely to default after the interest rate adjustment. The typical increase in the monthly mortgage payment for teaser rate loans during that period was 30 to 50 percent.

The most infuriating finding is that Freddie Mac knowingly settled too cheaply to remain on good terms with Bank of America and others in the financial industry. That is exactly the kind of secretive, sweetheart deal that undermines the faith of the American people in their own government.

The Inspector General was right to conduct this evaluation and not pull punches. That is why we have inspectors general. I strongly urge FHFA's Inspector General to continue to provide close

and unforgiving oversight. Supreme Court Justice Louis Brandeis was right: sunlight is the best disinfectant, and the electric streetlight the most efficient policeman.

Reporter note: In an April House Financial Services Committee markup of a bill to strengthen the FHFA Inspector General's Office, Rep. Miller offered an amendment to request that all repurchase policies and settlements of the GSEs be reviewed by the FHFA Inspector General. The [amendment](#) was accepted but the bill has not been taken up by the full committee.

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